GOVERNMENT OF INDIA
URBAN DEVELOPMENT AND POVERTY ALLEVATION
LOK SABHA

UNSTARRED QUESTION NO:3434
ANSWERED ON:06.08.2002
FINANCIAL ASSISTANCE UNDER IDSMT SCHEME
VILAS BABURAO MUTTEMWAR

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVATION be pleased to state:

(a) whether the Union Government are extending financial assistance to the States in the form of loans for the Integrated Development of Small and Medium Towns;

(b) if so, whether it is a fact that due to paucity of funds the central assistance is not being released on time despite having fulfilled the criteria for availing of the financial assistance; and

(c) if so, the details thereof and reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY O URBAN DEVELOPMENT & POVERTY ALLEVIATION (SHRI O. RAJAGOPAL)

(a)to(c): Central assistance under Integrated Development of Small and Medium Towns (IDSMT) Scheme, which has been in operation since 1979-80, has been released in the form of loan for the towns approved/covered till 1994-95. Since the projects approved under IDSMT can avail central assistance upto 5 years from the year of sanction, the towns covered under loan pattern were released subsequent instalments of central assistance till 31.3.2000. However, as per the Revised IDSMT Guidelines (1995), which is operative since 1995-96, the central assistance is released in the form of grant and the pattern of financing is as under:

(Rs. in lakhs)

category of Town (Population)	Project Cost	Central Assistance Maximum	State Share (Grant)	HUDCO/FIs Loan/Other Sources
A (<20000)	100	48	32	20(20%)
B (20000-50000)	200	90	60	50(25%)
C (50000-1 lakh)	350	150	100	100(29%)
D (1-3 lakhs)	550	210	140	200(36%)
E (3-5 lakhs)	750	270	180	300(40%)

The central assistance released under the scheme to the States is based on
(i) submission of utilization certificates for the funds released earlier,
(ii) release of State Share, and

(iii) submission of new projects. The annual allocation of funds to the concerned States/Union Territories is based on the proportion of population in small and medium towns of a particular State to the total population of such towns in the country.